



CHILD DEVELOPMENT POLICY ADVISORY COMMITTEE

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August 15, 2001

The budget signed by the Governor for State Fiscal Year 2001-02 includes over \$1 billion for CalWORKs Stages 1 and 2 child care (\$585 million and \$522 million respectively); however, the Governor vetoed \$44 million for Stage 3, reducing the total appropriation to \$236 million. His veto message states in part:

"...consistent with the Administration's interest in reforming the State's child care subsidy system, I am reducing \$10.5 million from this item as a base veto and eliminating the \$33.5 million one-time augmentation...for a total veto of \$44 million. These actions will still leave funding sufficient for all caseload, under current eligibility, co-payment and subsidy policies, that would become eligible for discretionary Stage 3 services prior to February 1, 2002. The Budget still results in an increase of over \$63 million from the prior year for this population for a total of approximately \$236 million. I am, however, setting \$24 million aside in the Proposition 98 Reversion Account for additional services through the remainder of the 2001-02 fiscal year contingent upon enactment of legislation by January 31, 2002, to reform the State's subsidized child care programs in a manner that meets my objectives to use the existing resources allocated for these programs more effectively and to revise inequitable access policies that currently disadvantage low-income populations who have not received public assistance through CalWORKs."

The Administrative Review of Child Care proposed "policy options" to be considered in meeting the Governor's objectives. All could potentially serve more children within existing resources by imposing new restrictions, requirements or limitations on the way subsidies are provided. To begin the dialogue about how best to achieve a more equitable and efficient system of child care, CDPAC will host a public input forum as part of its September 6th meeting. The purpose of the forum is to begin the process of defining the questions that need to be asked as policy proposals are developed and debated. Please join us to share your ideas.

An agenda and public comment form are attached.

This meeting will also feature findings from a groundbreaking and important new report, *The Economic Impact of Child Care in California*, sponsored by the National Economic Development and Law Center (NEDLC) as part of the Local Investment in Child Care project (LINCC) and prepared by M.Cubed Consulting Firm. The findings of this report demonstrate how the licensed child care system, long considered to have an important social and educational value for California's families, also makes

significant contributions to the State's economy and is a key part of its economic infrastructure. In addition to generating billions of dollars in revenues, the child care industry creates tens of thousands of jobs, and generates substantial productivity gains that represent billions of dollars for California's families, businesses and government.

Among the report's other findings: The licensed child care industry generates revenues similar to those of both the livestock and vegetable crops industries, and directly employs three times more employees than the State's advertising industry and more than twice as many employees as the lumber industry.

Understanding the size and importance of the child care industry and its interconnectedness with other sectors is imperative as we consider the child care system.

We hope you will join us on September 6th to hear more about this compelling report and contribute to the discussion about reformulating child care policy in California.

Sincerely,

Kay Ryan
Executive Director

Child Development Policy Advisory Committee
Meeting and Public Hearing
September 6, 2001
Room 4202 (or 447)
State Capitol

The September 6th meeting of the Child Development Policy Advisory Committee will provide an opportunity for members of the public and representatives of stakeholder groups to share their questions and ideas for issues that need to be considered as legislation is developed this fall. The testimony received will be shared with the Governor's Office, members of the Legislature, State and Consumer Services Agency and other State departments. Additionally, a report will be provided as part of the minutes from this meeting.

Please complete the following and FAX it to us by August 31, to indicate your interest in providing oral testimony.

Name _____	
Representing _____	
Phone _____	E-mail _____

We will accept as much oral public testimony as time allows. To ensure that your comments are included in the report accurately, we ask that you provide a written copy of your testimony to staff on the day of the meeting.

FAX this completed form to CDPAC at (916) 446-9643